

**MINUTES
of the
SECOND MEETING
of the
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**July 20, 2006
Mortgage Finance Authority Office
344 Fourth Street SW
Albuquerque, New Mexico**

The second meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Senator Nancy Rodriguez, vice chair, on July 20, 2006 at 10:20 a.m.

Present

Sen. Nancy Rodriguez, Vice Chair
Rep. Thomas A. Anderson
Sen. Mark Boitano
Sen. Leonard Lee Rawson
Rep. Harriet I. Ruiz
Rep. Teresa A. Zanetti

Absent

Rep. Fred Luna, Chair
Sen. Cisco McSorley

Advisory Members

Rep. Roberto "Bobby" J. Gonzales
Sen. John T.L. Grubesic
Sen. Richard C. Martinez
Sen. H. Diane Snyder

Rep. Daniel R. Foley
Sen. Phil A. Griego
Sen. Steven P. Neville
Rep. Daniel P. Silva

Staff

Ramona Schmidt

MFA Staff

Jay Czar
Izzy Hernandez
Lionel Holguin
Sandra Marez
Erin Quinn

Thursday, July 20

Jay Czar addressed the committee regarding the recent town hall meetings held in Las Vegas, Farmington, Albuquerque, Las Cruces and Roswell and stated they were well attended. Mr. Czar said there is great concern about affordable housing throughout the state and noted there is some uniqueness in cities such as Las Vegas, which has a moratorium on new building due to water concerns. Other issues throughout the state include the need for more partnering

through leadership in the communities; a need for homebuyer education for individuals with poor credit and lack of eligibility to buy, including post-purchase economic issues; workforce housing in numerous cities throughout the state; affordable housing for middle-income individuals; and the need for more skilled labor and contractors. Mr. Czar noted the MFA may have to create some new programs to meet some of the needs of the state. There will be more targeted meetings in the future throughout communities within the state. He stated MFA staff are assessing the information gathered during the town hall meetings for priorities and needs.

In response to an inquiry by the committee as to whether stuccoing of a manufactured house is allowed, staff stated that it is not currently allowed within the weatherization program. It was noted that Dona Ana County is number one in the use of manufactured homes in the country and the policies passed may have a negative impact on affordable housing. Committee members suggested that Mr. Czar present some of the issues raised during the town hall meetings before the Legislative Education Study Committee, including the need for more skilled labor and vocational education within the public school system. Mr. Czar stated the Hero Program, which is very popular, was started with \$10 million but that money went very quickly and there is difficulty keeping the funding going. He noted MFA staff are speaking with everyone they can to keep the program going but it may need to be managed differently than the pilot program.

Erik Nore, MFA staff, addressed the committee regarding homeownership programs. Mr. Nore presented information on tax code criteria, first-time homebuyer, income limits, acquisition cost limits, income limits for targeted areas, acquisition cost limits targeted areas, single-family residence, owner-occupied and recapture issues. He reviewed three first mortgage programs, including: the MortgageSaver, the MortgageSaver Zero and the MortgageSaver Plus. He also reviewed the Mortgage Booster Program, the Payment Saver and Helping Hand, including origination fees.

Committee members raised issues regarding homebuyer education on funding through the various programs, and progress on the distribution of MFA funds for use throughout the state. MFA will provide committee members with a glossary of the abbreviations used in the housing industry.

Erin Quinn and Joseph Montoya gave an update on the Workforce Housing Development Program. Ms. Quinn noted that providing housing for essential workforce is increasingly becoming an economic development issue. She reviewed the Workforce Development Program, which is targeted to employers that may have land but may not have other resources for addressing workforce housing. Employers that wish to provide land to a workforce housing development project will work in conjunction with a master developer, UniDev, selected through a competitive request-for-qualifications process to serve as a project sponsor's "owner's representative". Ms. Quinn reviewed the parameters of the program, which include threshold criteria required in order to apply for feasibility study matching funds under the Workforce Housing Development Program and how the program works. She stated that at this time it is mostly municipalities and state agencies that are interested in the program.

Senator Rodriguez thanked the staff for their presentations. There being no further business, the committee adjourned at 11:57 a.m. after a motion duly made, seconded and unanimously adopted.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service Library.